

RECORDATION NO. 27164-C FILED

SEP 09 '08 -10 00 AM

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SUITE 301

SURFACE TRANSPORTATION BOARD

WASHINGTON, D.C.

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OF COUNSEL
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September 9, 2008

Anne K. Quinlan, Esquire
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423-0001

Dear Ms. Quinlan:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Full Service Railcar Lease, dated as of May 21, 2008, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Mortgage previously filed with the Board under Recordation Number 27164.

The names and addresses of the parties to the enclosed document are:

Lessor: Babcock & Brown Rail Funding LLC
1 Dag Hammarskjold Plaza
885 Second Avenue, 49th Floor
New York, NY 10017

Lessee: Savatran LLC
1622 Chestnut Hill Drive
Matthews, NC 28105

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A description of the railroad equipment covered by the enclosed document is:

120 railcars: BNBX 121395 - BNBX 121397, BNBX 121400 and BNBX 121403 - BNBX 121519 (excluding 121456).

A short summary of the document to appear in the index is:

Memorandum of Full Service Railcar Lease.

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', followed by a horizontal line.

Robert W. Alvord

RWA/sem
Enclosures

SEP 09 '08

-10 00 AM

MEMORANDUM OF FULL SERVICE RAILCAR LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF FULL SERVICE RAILCAR LEASE dated as of this 21st day of May, 2008, to that certain Master Full Service Railcar Lease dated as of May 21, 2008, effective as of December 28, 2007, between BABCOCK & BROWN RAIL FUNDING LLC, a Delaware limited liability company (the "Lessor") and SAVATRAN LLC, a Delaware limited liability company (the "Lessee"), pursuant to which Schedule No. 01 has been executed, is made by the Lessor and the Lessee (the Lessor and together with the Lessee, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, Lessor and the Lessee entered into that certain Master Full Service Railcar Lease dated as of May 21, 2008, effective as of December 28, 2007 and the Parties entered into that certain Schedule No. 01 thereto dated as of the same date (hereinafter as the same may from time to time be amended, modified or supplemented, the "Agreement"), covering the equipment listed on Exhibit A hereto (the "Cars");

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Agreement, and the respective interests therein of the Parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Cars to the Lessee in accordance with the terms and conditions of the Agreement, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

This Memorandum of Full Service Railcar Lease may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

REVIEWED

JUN 10 2008

By: JSF

IN WITNESS WHEREOF, the undersigned has caused this Memorandum of Full Service Railcar Lease to be executed by a duly authorized officer as of the date first above written.

BABCOCK & BROWN RAIL FUNDING LLC, as Lessor

By: [Signature]
Name: Larry Littlefield
Title: Vice President
Date: 7/30/08

SAVATRAN LLC, as Lessee

By: [Signature]
Name: Michael J. Bagg
Title: CEO
Date: 7-11-08

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REVIEWED

JUN 10 2008

By: JSF

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Approved
Sales & Marketing
[Signature]

STATE OF New York)

) SS:

COUNTY OF New York)

On 7/30/08 2008, before me, Indra Bedasie, Notary Public, personally appeared Larry Littlefield, personally known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Indra Bedasie

INDRA BEDASIE
Notary Public, State of New York
No. 01BE6014602
Qualified in Queens County
Certificate Filed in New York County
Commission Expires October 19, 2010

STATE OF Florida)
COUNTY OF Palm Beach)

SS:

On July 11, 2008, before me, Rhiannon Siegel, Notary Public, personally appeared Michael J. Beyer personally known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

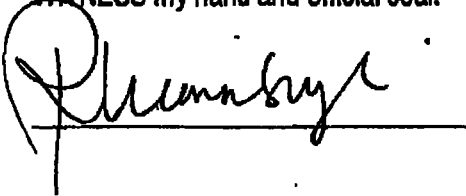




EXHIBIT A
MEMORANDUM OF FULL SERVICE RAILCAR LEASE

<u>Quantity of Cars</u>	<u>Car Description</u>	<u>Reporting Mark and Numbers</u>
One Hundred Twenty (120)	Aluminum body Bethlehem II coal porter cars with a 286,000 GRL, 4520 CF, AAR car type code J311, built by FreightCar America Inc. in 2007	BNBX 121395, BNBX 121396, BNBX 121397, BNBX 121400, BNBX 121403 - 121519, inclusive (excluding 121458)

1099.1

REVIEWED


JUN 10 2008

By: JSF

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 9/9/08



Robert W. Alvord